

How to Effectively Appeal Your Property Tax Assessment

**from State Senator
Beverly S. Hammerstrom**



Dear Property Owner:

A few reminders may be helpful regarding your 2006 assessment notices. The term "taxable value" was introduced in 1995. It is the figure millage is levied against to calculate your property taxes, and it is capped at the rate of inflation or 5 percent, whichever is less. State Equalized Valuation, on the other hand, must still reflect 50 percent of the property's true cash value and may increase by more than the rate of inflation or 5 percent in any particular tax year. It is important to remember that your property taxes are no longer based on the SEV value.

If, despite this information, you believe your assessment is in error, you may appeal to your local board of review and, if necessary, the Michigan Tax Tribunal. I have included the names and telephone numbers of our Senate district's assessors for your convenience in contacting them to arrange an appointment with the board of review.

The appeals process costs you nothing but time, and no attorney is necessary. The attached step-by-step guide, along with your willingness to explore all the possibilities, may help you obtain a favorable adjustment.

I appreciate your support as I continue to strive for even more tax relief on your behalf. Please contact my office if you need further assistance.

Sincerely,

A large, stylized handwritten signature in dark ink that reads "Beverly S. Hammerstrom".

BEVERLY S. HAMMERSTROM

State Senator

(517) 373-3543 • 1-888-477-8238

How to Effectively Appeal Your Property Tax Assessment

STEP 1 You may appeal either your taxable value, or SEV, or both, to the March Board of Review in 2006. Go to your local assessor's office and obtain a copy of your worksheet or appraisal card for your property. This should list the size of your house, the type of construction, special features, etc. The worksheet contains other information such as style (ranch, colonial, contemporary, etc.) of your home, utilities, construction date, number of baths, fireplaces, and kitchen range hoods. Ask the assessing department to explain the document until you completely understand the abbreviations and numbers. You can also obtain worksheets of similar properties which recently sold in the area which the assessor is using to determine the value of your property.

STEP 2 Carefully check the worksheet for errors. The assessor may agree to change some of the information or figures at that time, or you may have to make your case with the local Board of Review. There should be a "percent good" calculation on your worksheet which shows you how much your house has depreciated. Usually the Michigan Assessor's Manual requires that every property have a "percent good" calculation. If your house is ten years old, it will be about 90% good. Percent good is another factor to use when comparing your home with other homes. (See Step 4.)

STEP 3 If your tentative taxable value increased by more than 3.3% above your 2005 taxable value and you did not improve your home with additions, then your taxable value may exceed the statutorily mandated assessment cap. Call your assessor immediately and inquire as to why your taxable value increased by more than the rate of inflation.

Remember, taxable value is capped at the rate of inflation or 5%, whichever is less, until the property transfers or additions are added to your home. SEV is not capped but must reflect 50% of your property's true cash value. Either taxable value or SEV, or both, may be appealed to the Board of Review.

Make sure that a Principal Residence affidavit has been filed for your principal residence. If you filed a Principal Residence affidavit, you do not need to file a new affidavit this year unless you moved or you are no longer using the property as your principal residence. Call your assessor if you have specific questions.

STEP 4 As noted in Step 2, the "percent good" is the way an assessor depreciates the value of a home based on its age. For this reason, normal issues common to all homes of that age are not considered in the specifics on the assessment. However, many homes have problems that are not associated with general aging. Examples might be cracked foundations, wall construction problems, or poor masonry work. The impact of these problems on the value of the home should be specifically addressed.

Therefore it is necessary to perform a complete inside inspection of your home. Written repair estimates and photographs of structural damage are very good evidence of defects which could affect property value.

STEP 5 Realtors say that location is the single most important feature which determines the value of your home. If you live near a major road, landfill, business, or industry, your home may be less desirable than the same home located in a purely residential neighborhood. You may live in a mixed zoning area which includes commercial, industrial, and residential property. You may have a well, septic system, or dirt road. Obtain copies of citizen complaints about area drug houses, rowdy party homes, and neighborhood eyesores. Tape record factory, truck, or party noise.

If these characteristics have changed, they may contribute to a deteriorating value of your home and you should be able to show this to the Board.

STEP 6 If you do not have the time or patience to collect comparables, many local realtors will help you determine the value of your property. Call several and ask for comparable sales in your area. The realtors

may even do an appraisal for free hoping you might send them business when you sell your home in the future. Or, you may wish to have your home professionally appraised. A professional appraisal is the best evidence against an improper assessment and the best proof of value. It may cost you as much as you would save from lower property taxes, however.

STEP 7 One of the most common mistakes home buyers can make is that they fail to inform the assessor of personal property and other valuable items which were included in the sale. Personal property items often included in a home's sale price such as furniture, curtains, washer, dryer, etc. are exempt from assessment. If you do not inform your assessor in writing about these items, your assessment may erroneously include this value.

STEP 8 Comparable property assessments are one of the most important tools for a property tax assessment appeal. If comparable properties are assessed lower than yours, you may argue that your property is overassessed. Make your comparable study by asking for the worksheets of similar homes which have recently sold in your area. Check the assessed value, the state equalized value, taxable value, type of house, and zoning.

STEP 9 The last step in the process is to put all your information into letter form. An example is on this page.

STEP 10 If you are not satisfied with the decision of your local Board of Review, you may want to continue your appeal. In order to do this, you must send a letter to the Michigan Tax Tribunal, P.O. Box 30232, Lansing, MI 48909 before June 30 and ask them to mail you the necessary forms for appeal. **You must appeal to the local Board of Review before you can appeal to the Michigan Tax Tribunal.**

STRATEGY Bring a presentation copy for yourself and each of the Board of Review members. Read your presentation to the Board. You may have about five minutes, so make your points, show photographs, and stay professional.

SAMPLE APPEAL LETTER

Date _____

Name, Address, Telephone _____

To the Board of Review/Tax Tribunal:

I wish to appeal my property tax assessment for the following reasons:

1. According to my Worksheet/Property Record, I have noted the following discrepancies:

A. I do not have a fireplace as indicated.

Estimated value \$1,800

B. I do not have a tile bath as indicated.

Estimated value \$1,200

C. According to my worksheet, I have 1,500 square feet of living space. I have 1,000 square feet.

Reduced value \$6,920

This amount should be deducted from true cash value \$9,920

2. I have noted the following structural defects on my property. They reduce the value of the property by the following amounts:

A. Cracked foundation \$3,800

B. Cracked exterior wall \$2,200

This amount should be deducted from true cash value \$6,000

3. I live in an area that has mixed zoning and next door there is a new junkyard which emits loud noises and noxious odors. This affects the value of my property. I feel my true cash value has been reduced by **\$3,000**

3a. Grand Total, add #1, 2, and 3 above \$18,920

4. I wish to make the following comparables:

231 Main Street, assessed value _____

(List all comparables and ask for an average reduction. Note: add all items you noted as discrepancies, comparable amounts, etc.)

Example:

True cash value \$60,000

Minus Discrepancy/Grand Total \$18,920

New True Cash Value \$41,080

One half = Assessed value (SEV) \$20,540

NOTE: This sample letter indicates many of the grounds for a reduced assessment. It is very unlikely that an assessment could be reduced by nearly one-third, as illustrated here, but every reduction is important.

17th District County Assessors

JACKSON COUNTY ASSESSORS

**GRASS LAKE TOWNSHIP
GRASS LAKE VILLAGE**
Terrie Ellis
(517) 522-8464

LEONI TOWNSHIP
Cary Stiles
(517) 764-4694

NORVELL TOWNSHIP
Rebecca M. Daniels
(517) 536-4370

SUMMIT TOWNSHIP
George Clark
(517) 788-4113

CITY OF JACKSON
C. Jan Markowski
(517) 788-4033

**JACKSON CO.
EQUALIZATION DEPT.**
(517) 788-4378

MONROE COUNTY ASSESSORS

ASH TOWNSHIP
Chris Renius
(734) 654-6992, ext. 22

BEDFORD TOWNSHIP
Barbara Blake
(734) 847-6791

**BERLIN CHARTER TOWNSHIP &
SOUTH ROCKWOOD VILLAGE**
Chris Renius
(734) 586-2187 (Berlin)
(734) 379-3683 (S. Rockwood)

CARLETON VILLAGE
Chris Renius
(734) 654-6992, ext. 22

CITY OF PETERSBURG
Dan Smith
(734) 279-1210

CITY OF MONROE
Samuel Guich
(734) 243-0700, ext. 171

MONROE COUNTY ASSESSORS *(continued)*

CITY OF LUNA PIER
Michael A. Demski
(734) 848-6495

DUNDEE TOWNSHIP
Michael Miletti
(734) 529-2650

ERIE TOWNSHIP
Dan Smith
(734) 848-3328

ESTRAL BEACH VILLAGE
Chris Renius
(734) 586-8380

EXETER TOWNSHIP
Sandra Kurtansky
(734) 587-2100

**FRENCHTOWN CHARTER
TOWNSHIP**
Karolynn Pargo
(734) 242-8588

**IDA TOWNSHIP &
RAISINVILLE TOWNSHIP**
Gilbert Steinman
(734) 269-3045 (Ida)
Chris Renius
(734) 269-3901 (Raisinville)

LA SALLE TOWNSHIP
Elke Doom
(734) 241-4344

LONDON TOWNSHIP
Chris Renius
(734) 439-1949, ext. 1

MILAN TOWNSHIP
Lou Burke
(800) 610-2250 Toll-Free

CITY OF MILAN
Karen Page
(734) 439-0580

MONROE CHARTER TOWNSHIP
Barbara Blake
(734) 241-8001

SUMMERFIELD TOWNSHIP
Michael Woolford
(734) 279-1214

MONROE COUNTY ASSESSORS *(continued)*

VILLAGE OF DUNDEE
see Dundee Township

VILLAGE OF MAYBEE
see Exeter Township

WHITEFORD TOWNSHIP
Pam Dressel
(734) 854-2416

**MONROE CO.
EQUALIZATION DEPT.**
(734) 240-7235

WASHTENAW COUNTY ASSESSORS

CITY OF MILAN
Karen Page
(734) 439-0580

CITY OF SALINE
Catherine Scull
(734) 429-4907

YORK TOWNSHIP
Dan Smith
(734) 439-8842, ext. 213

PITTSFIELD TOWNSHIP
James E. Rushton
Rhonda A. Ryan
(734) 822-3115

LODI TOWNSHIP
Linda Rushton
(734) 665-7583, ext. 4

SALINE TOWNSHIP
Washtenaw Co. Equalization Dept.
(734) 994-2511

BRIDGEWATER TOWNSHIP
Mary Rider
(517) 456-7728 Thursdays

MANCHESTER TOWNSHIP
Pat Zamenski
(800) 948-6553 Toll-Free

**WASHTENAW CO.
EQUALIZATION DEPT.**
(734) 994-2511